

Message Text

PAGE 01 STATE 174394

60

ORIGIN PM-03

INFO OCT-01 NEA-10 ISO-00 TRSE-00 DODE-00 NSC-05 NSCE-00

INR-07 CIAE-00 L-03 MC-02 OMB-01 ACDA-05 SS-15 EB-07

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DRAFTED BY PM/SAS:DNIEMI:RG

APPROVED BY PM:TSTERN

PM/SAS - MR. JAMES

TREASURY - MR. NENSEL (SUBS)

DOD/DSAA - MR. PLUMMER (SUBS)

NEA/ARP - MR. DICKMAN

NEA/ARN - MR. DAY (DRAFT)

----- 051549

R 241346Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA

INFO AMEMBASSY AMMAN

C O N F I D E N T I A L STATE 174394

E.O. 11652: GDS

TAGS: MASS, JO, SA

SUBJECT: SAUDI REPAYMENT OF FY 1975 \$30 MILLION FMS CREDIT
FOR JORDAN

REF: A) STATE 168611 B) STATE 139603

1. REF A REPORTED RECENT JORDANIAN INITIATIVES TO OBTAIN
FORMAL SAUDI PARTICIPATION IN ARRANGEMENTS FOR THE FY 1975
FMS-GUARANTEED CREDIT OF \$30 MILLION FOR JORDAN. THE
JORDANIAN AMBASSADOR IN WASHINGTON SIGNED THE FEDERAL
FINANCING BANK PROMISSORY NOTE ON JULY 14, BUT JORDANIAN
EMBASSY OFFICIALS INDICATE THE SAUDI EMBASSY HAS NOT YET
RECEIVED INSTRUCTIONS CONCERNING SAUDI SIGNATURE OF THE
PROMISSORY NOTE.

2. TEXT OF THE PROMISSORY NOTE IS AS FOLLOWS:

CONFIDENTIAL

PAGE 02 STATE 174394

QUOTE: PROMISSORY NOTE -- FOR VALUE RECEIVED, THE GOVERN-
MENT OF THE HASHEMITE KINGDOM OF JORDAN PROMISES TO PAY
THE FEDERAL FINANCING BANK (HEREIN REFERRED TO AS THE
BORROWER AND THE FFB, RESPECTIVELY) SUCH SUMS AS SHALL BE

ADVANCED BY THE FFB HEREUNDER. THE FFB SHALL NOT BE OBLIGED TO ADVANCE MORE THAN THIRTY MILLION DOLLARS (U.S. \$30,000,000.00) , NOR TO MAKE ANY ADVANCE AFTER JUNE 26, 1976.

ADVANCES SHALL BE MADE FROM TIME TO TIME BY THE FFB UPON

THE WRITTEN REQUEST OF THE BORROWER OR OF SUCH AUTHORIZED REPRESENTATIVE(S) OF THE BORROWER AS MAY BE DESIGNATED. NOT MORE THAN ONE ADVANCE SHALL BE MADE IN ANY SINGLE MONTH, EXCEPT THAT AN ADVANCE OF \$500,000 OR MORE MAY BE REQUESTED AT ANY TIME.

ADVANCES SHALL BEAR INTEREST PAYABLE ON JUNE 30 AND DECEMBER 31 OF EACH YEAR, COMMENCING DECEMBER 31, 1975, ON THE UNPAID PRINCIPAL BALANCE OF EACH ADVANCE FROM TIME TO TIME OUTSTANDING. A SEPARATE INTEREST RATE SHALL BE ESTABLISHED FOR EACH ADVANCE AT THE TIME THEREOF BY THE FFB PURSUANT TO SECTION 6(B) OF THE FEDERAL FINANCING BANK ACT OF 1973. AFTER ALL ADVANCES UNDER THIS NOTE HAVE BEEN COMPLETED, THE FFB SHALL ESTABLISH A SINGLE EQUIVALENT INTEREST RATE FOR APPLICATION AGAINST ALL PRINCIPAL OUTSTANDING THEREAFTER, IN LIEU OF THE SEVERAL SEPARATE RATES. INTEREST SHALL BE CALCULATED USING A 365-DAY YEAR BASIS.

WHENEVER ANY PAYMENT UNDER THIS NOTE SHALL BE DUE ON A SATURDAY, SUNDAY, OR PUBLIC HOLIDAY UNDER THE LAWS OF THE UNITED STATES OF AMERICA, SUCH PAYMENT MAY BE MADE ON THE NEXT SUCCEEDING BUSINESS DAY, AND SUCH EXTENSION OF TIME SHALL, IN SUCH CASE, BE INCLUDED IN COMPUTING INTEREST IN CONNECTION WITH SUCH PAYMENT, BUT EXCLUDED FROM THE NEXT INTEREST PERIOD. IN CASE OF FAILURE OF THE BORROWER TO MAKE PAYMENT WHEN AND AS DUE, OF ANY INSTALLMENT OR INSTALLMENTS OF PRINCIPAL AND INTEREST UNDER THIS NOTE, THE AMOUNT PAYABLE SHALL BE THE AMOUNT OF THE OVERDUE INSTALLMENT OR INSTALLMENTS OF PRINCIPAL AND INTEREST, PLUS INTEREST THEREON AT THE RATE SPECIFIED HEREIN, FROM CONFIDENTIAL

PAGE 03 STATE 174394

THE DUE DATE TO THE DATE OF PAYMENT.

THE TOTAL AMOUNT ADVANCED HEREUNDER SHALL BE REPAID, WITHOUT RIGHT OF PREPAYMENT, IN ACCORDANCE WITH THE PRINCIPAL REPAYMENT SCHEDULE WHICH IS ATTACHED.

IF LESS THAN THE TOTAL OF \$30,000,000.00 IS ADVANCED, THE PRINCIPAL REPAYMENT SCHEDULE SHALL BE REDUCED IN THE INVERSE ORDER OF THE MATURITY THEREOF TO THE EXTENT OF THE UNUSED BALANCE OF THE COMMITMENT.

BOTH PRINCIPAL AND INTEREST SHALL BE PAID IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA IN IMMEDIATELY AVAILABLE

FUNDS AT THE FEDERAL RESERVE BANK OF NEW YORK, NEW YORK,
OR AT SUCH OTHER PLACE AS THE FFB MAY DESIGNATE IN WRITING,
IN ACCORDANCE WITH SUCH DETAILED PROCEDURES AS MAY BE
ESTABLISHED BY THE FFB FROM TIME TO TIME.

ALL PAYMENTS MADE ON ACCOUNT OF THE PRINCIPAL AMOUNT

HEREUNDER SHALL BE ENDORSED BY THE PAYEE, OR ITS ASSIGNS,
ON THE REVERSE SIDE OF THIS NOTE.

THIS NOTE IS SUBJECT TO THE TERMS OF THE LOAN AGREEMENT
DATED JUNE 26, 1975, BETWEEN THE BORROWER AND THE FFB
TO THE EXTENT THAT SUCH TERMS ARE NOT INCONSISTENT WITH
ANY SPECIFIC PROVISION HEREOF.

UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT SPECIFIED IN
SAID LOAN AGREEMENT, THE ENTIRE UNPAID PRINCIPAL HEREOF
AND INTEREST HEREON TO THE DATE OF PAYMENT MAY BE DECLARED
TO BE FORTHWITH DUE AND PAYABLE AS PROVIDED IN SAID LOAN
AGREEMENT. THE BORROWER PROMISES TO PAY ALL OUT-OF-
POCKET COSTS AND EXPENSES (INCLUDING THE REASONABLE FEES
AND OUT-OF-POCKET EXPENSES OF COUNSEL) IN CONNECTION WITH
COLLECTION OF THIS NOTE AFTER DEFAULT.

PAYMENT GUARANTEED GOVERNMENT OF THE HASHEMITE
BY THE GOVERNMENT OF KINGDOM OF JORDAN
THE KINGDOM OF SAUDI ARABIA

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PAGE 04 STATE 174394

BY.....(SEAL) BY ABDULLAH SALAH
--- AMBASSADOR

DATE:..... DATE: JULY 14, 1975

PRINCIPAL REPAYMENT SCHEDULE

FFB NOTE: FMS JORDAN-1

-- \$30,000,000.00

THE FIRST \$1,764,700 WILL BE REPAID ON JUNE 30, 1977

THE NEXT \$1,764,700 " " " " DECEMBER 31, 1977

THE " \$1,764,700 " " " " JUNE 30, 1978

THE " \$1,764,700 " " " " DECEMBER 31, 1978

THE " \$1,764,700 " " " " JUNE 30, 1979

THE " \$1,764,700 " " " " DECEMBER 31, 1979

THE " \$1,764,700 " " " " JUNE 30, 1980

THE " \$1,764,700 " " " " DECEMBER 31, 1980

THE " \$1,764,700 " " " " JUNE 30, 1981

THE " \$1,764,700 " " " " DECEMBER 31, 1981

THE " \$1,764,700 " " " " JUNE 30, 1982

THE " \$1,764,700 " " " " DECEMBER 31, 1982

THE " \$1,764,700 " " " " - JUNE 30, 1983

THE " \$1,764,700 " " " " DECEMBER 31, 1983
THE " \$1,764,700 " " " " JUNE 30, 1984
THE NEXT \$1,764,700 WILL BE REPAID ON DECEMBER 31, 1984
THE LAST \$1,764,800 WILL BE REPAID ON JUNE 30, 1985
UNQUOTE

3. WE CONTINUE TO REGARD IT AS PRIMARILY A JORDANIAN
RESPONSIBILITY TO DEAL WITH THE SAUDIS ON THIS MATTER.
HOWEVER, WE ARE ALSO CONCERNED THAT ARRANGEMENTS BE
COMPLETED AS PROMPTLY AS POSSIBLE.

4. ACTION REQUESTED: EMBASSY JIDDA IS REQUESTED TO PRO-
VIDE THE TEXT OF THE PROMISSORY NOTE TO THE JORDANIAN
EMBASSY, URGING THE JORDANIANS TO PURSUE THIS MATTER AS
PROMPTLY AS POSSIBLE WITH THE SAUDIS. THE SAG SHOULD BE
ENCOURAGED (BY THE JORDANIANS) TO COMPLETE ITS REVIEW OF
THE NOTE AS SOON AS POSSIBLE AND TO AUTHORIZE THAT IT BE
SIGNED BY AN APPROPRIATE SAUDI OFFICIAL IN WASHINGTON OR
JIDDA. EMBASSY JIDDA IS ALSO REQUESTED TO PROVIDE A COPY
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PAGE 05 STATE 174394

OF THE PROMISSORY NOTE TEXT SUBSEQUENTLY TO THE SAUDI
FOREIGN MINISTRY, INDICATING WILLINGNESS TO PROVIDE INFOR-
MATION IF THE SAUDIS WISH. KISSINGER

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<< END OF DOCUMENT >>

Message Attributes

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Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
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Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

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